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ANNUAL
STATISTICAL REVIEW
**FOOD AND NUTRITION
PROGRAMS**
FISCAL YEAR 1976
PRELIMINARY REPORT

JUN 16 1977

U.S. DEPT. OF AGRICULTURE
FOOD AND NUTRITION SERVICE

U.S. Department of Agriculture
Food and Nutrition Service
FNS 161

Preface

This preliminary review and analysis of Food and Nutrition Service programs covers their activities during fiscal year 1976. It is divided into two major program areas, Family Food Assistance and Child Nutrition, according to the contents.

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Food Assistance Trends

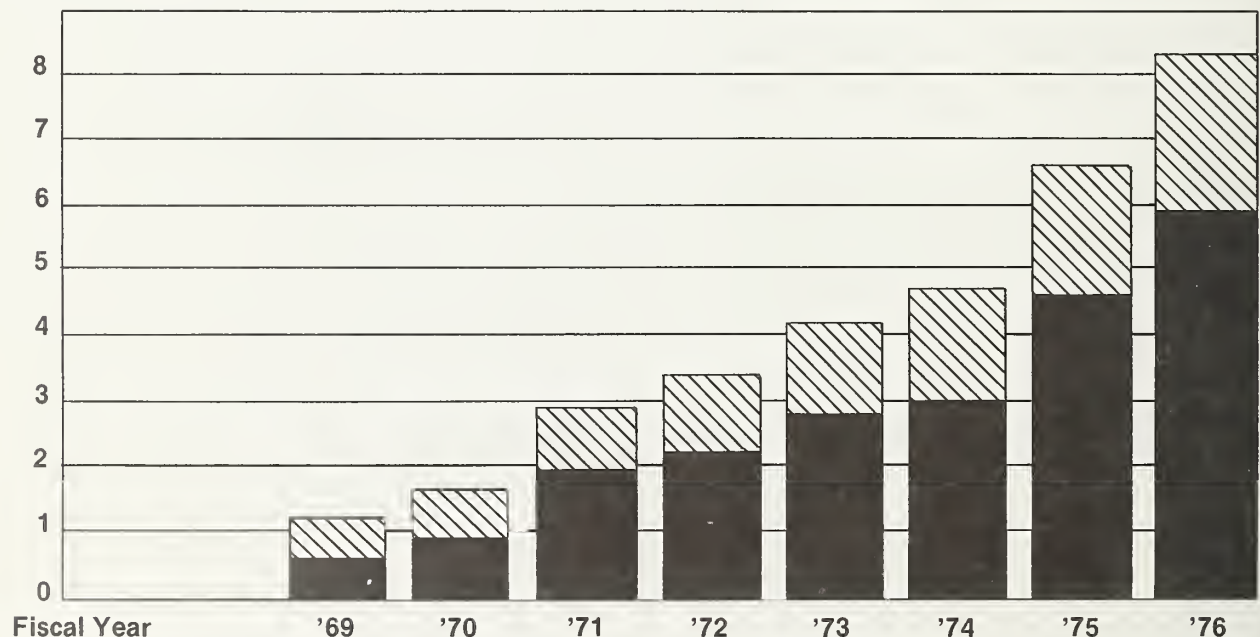
The Food and Nutrition Service was established in August 1969 to concentrate on the administration of federal food programs.

In the seven years since then:

- Federal funding for food assistance activities, including costs for administration, has grown from around \$1 billion to over \$8 billion in Fiscal Year 1976, ending June 30. Of that, over \$2.4 billion was spent for child nutrition programs and \$5.9 billion for family food assistance.
- Family food assistance, in the form of either food stamps or food distribution, has been virtually 100 percent available to all areas for the past 5 years. Over 400 U.S. counties, which in 1969 had no program of food assistance for needy families, now operate a program.
- Except for less than 100,000 people, mostly Indians on reservations receiving food donations, needy families getting family food assistance are in the Food Stamp Program.
- The average number of people assisted through family food programs reached a plateau of some 15 million for 3 years in 1972, 1973, and 1974. With recession, the rise in unemployment, and the switch to food stamps in Puerto Rico, participation rose to an average of 17.4 million in fiscal year 1975.
- As the economic and employment situation improved, participation in family food assistance programs declined from a peak of 19.4 million in May 1975 to 18.1 million last June. But for the 1976 fiscal year, participation averaged 18.6 million persons.
- The National School Lunch Program, oldest and largest of the child nutrition programs, celebrated its 30th anniversary during the Bicentennial year. In its first year of operation 6.6 million children were served lunches compared with a new peak of 26 million during fiscal year 1976. The number of needy children assisted with free and reduced price lunches has increased from 3.3 million in 1969 to 11.1 million in 1976.

Food Program Funding

Billions of Dollars



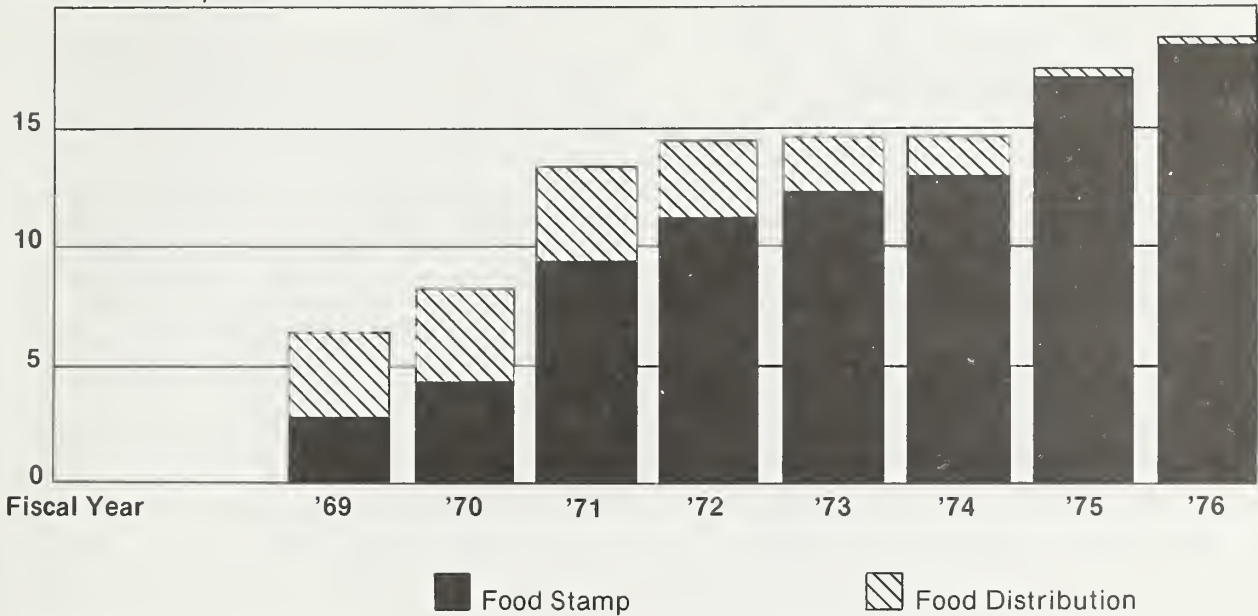
Note: Funding totals include program benefits and federal administrative costs.

■ Family Food Assistance

▨ Child Nutrition

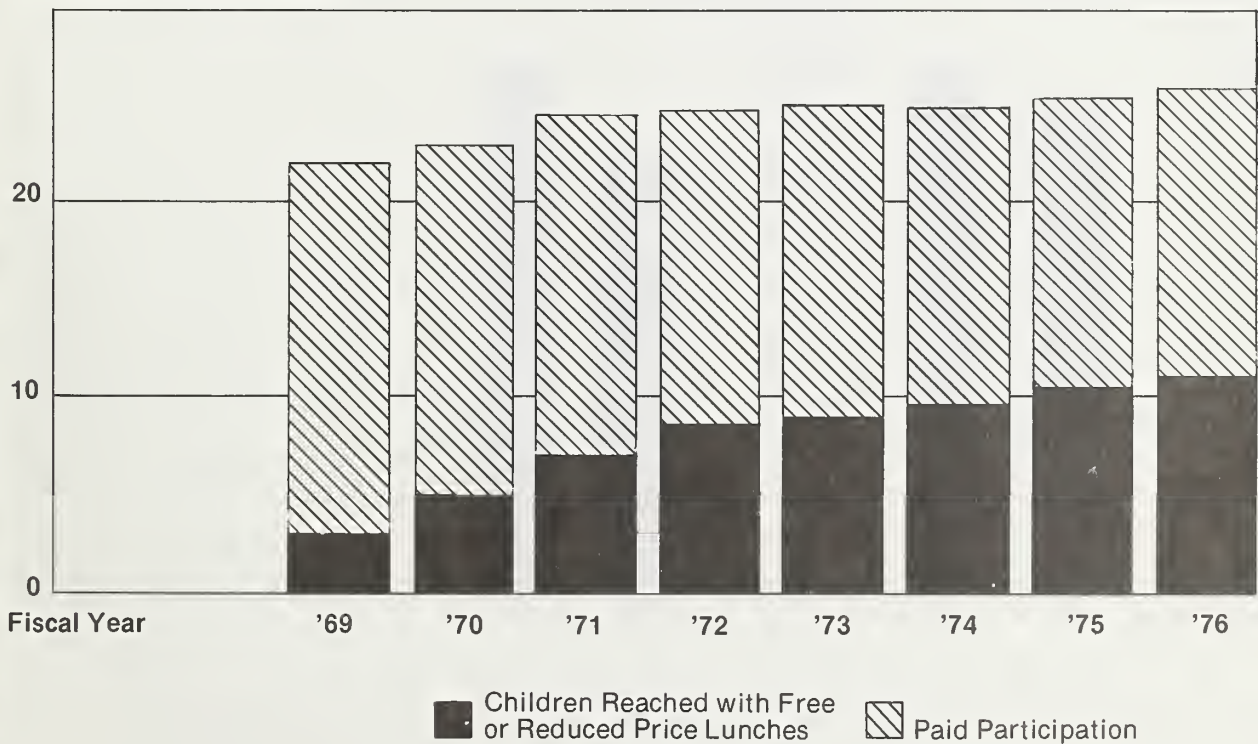
Family Food Program Participation (Average)

Millions of Recipients



National School Lunch Program Participation (Peak Month)

Millions of Children Reached



Family Food Assistance

Historically, two alternative FNS programs—Food Stamp and Food Distribution—provided food assistance to low-income households. In fiscal year 1970, participation in the Food Stamp Program surpassed that of the Food Distribution Program for the first time. Then in August 1973, Congress mandated adoption of food stamps nationwide and in most outlying territories. Nearly 99.6 percent of all persons receiving family food assistance in fiscal year 1976 were food stamp users. The remaining 0.4 percent includes persons residing on Indian reservations, which have been granted the option to continue food distribution until September 30, 1977, and persons residing in the U.S. Trust Territories.

In fiscal year 1976:

- There was a downward trend in the number of persons receiving family food assistance, even though average monthly participation

was above that of the previous year. By June 1976 — the last month of the fiscal year — participation had declined to 18.1 million people, compared to 19.3 million in the same month a year earlier.

- Federal payments for family food assistance totaled \$5.3 billion, up 20.4 percent from the previous year. The Food Stamp Program accounted for 99.8 percent of the total, compared to 99.2 percent in fiscal year 1975.
- Emergency food stamp assistance worth approximately \$5.6 million was provided to some 117,000 persons, most of them victims of Typhoon Pamela in Guam. This was a substantial increase over fiscal year 1975, when \$1.3 million worth of food stamps was provided to 33,000 victims of natural disasters.

Average Monthly Participation
Millions of Participants

Up 6.9%

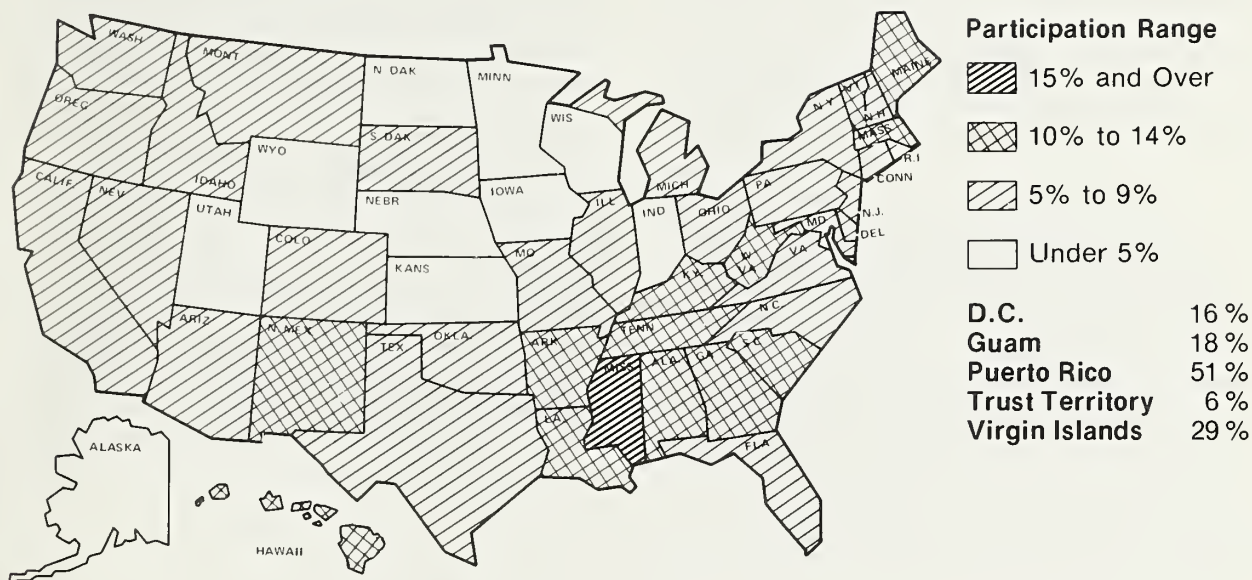


Federal Contribution
Millions of Dollars

Up 20.4%



**Average Participation in Family Food Assistance Programs
as a Percentage of Population, FY 1976 (Preliminary)**



Food Stamp Program

Initiated on a pilot basis in 1961 and enacted into law in 1964, this program enables low-income households to improve their diets by supplementing their food buying power. Participants obtain a greater quantity and variety of food by purchasing coupon allotments for a specified amount of money (based on family size and income). They receive coupons worth more than the amount paid, which they spend for food at participating stores.

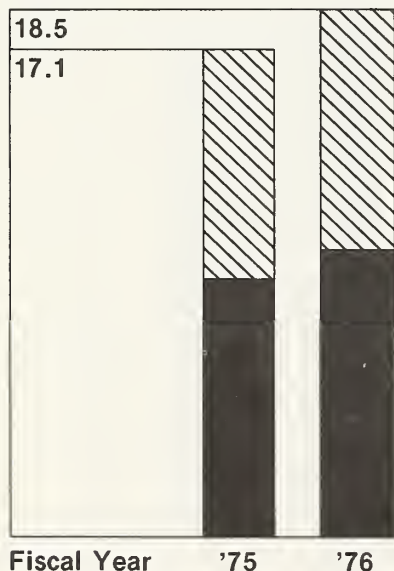
In fiscal year 1976:

- Program participation decreased as economic conditions improved. In June, the final month of the fiscal year, participation was 18.0 million, a 6.3-percent decrease from 19.2 million in June 1975.
- Average monthly participation, however, rose 8.2 percent. As a result of the rise in unemployment and extension of food stamps to Puerto Rico the previous year, participation began at a higher level in fiscal year 1976 than in fiscal year 1975—18.7 million in July 1975, compared to 13.9 million in July 1974.

- Members of nonpublic assistance households constituted 52.5 percent of all food stamp users at the end of the year, compared to 56 percent at the end of fiscal year 1975. Year-end participation in this category was 9.4 million, down 12.4 percent from June 1975.
- Recipients paid \$3.4 billion and received food stamps worth \$8.7 billion, giving them a food buying bonus of \$5.3 billion, up 21.2 percent from the previous year. There was an 11.7-percent rise in average monthly benefits per person. Food stamp allotments are adjusted semiannually according to changes in food prices.
- The number of outlets — mainly retailers — authorized to accept food stamps increased to 263,000, up 13,000 from last year. Included are some 4,100 non-profit dining and meal delivery facilities for the elderly.

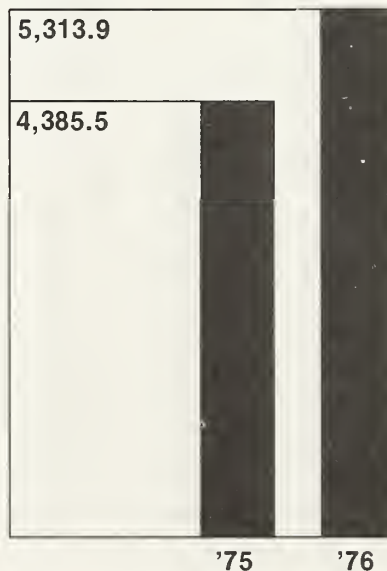
Average Monthly Participation
Millions of Recipients

Up 8.2%



Federal Cost of Bonus Stamps
Millions of Dollars



Up 21.2%



Average Monthly Benefits Per Person
Dollars

Up 11.7%



 Public Assistance
 Non-Public Assistance

Food Distribution Program

Food distribution to needy families, formerly the major form of family food assistance, virtually ended in fiscal year 1975 as most remaining projects transferred to the Food Stamp Program. This activity now operates primarily on Indian reservations granted the option of continuing food distribution until September 30, 1977, and in the Pacific Trust Territories.

In fiscal year 1976:

- Average monthly participation fell from 330,000 the previous year to 80,000. Year-end participation was 79,000, compared to 88,000 in June 1975.
- The federal cost of foods donated to families was \$11.4 million, down 68.9 percent from last year.
- Participants received a monthly average of 35.5 pounds of food per person at a Federal cost of \$11.86, compared to \$9.33 per person last year.

In fiscal year 1976, food was also distributed to:

- Institutions which provide meals to indigent patients and residents, and to children to non-profit summer camps. The value of food distributed to these recipients totaled \$10.1 million.
- Mothers and infants through Supplemental Food Programs at a federal cost of \$17.3 million. Average monthly participation was 132,000; the monthly cost of food per person averaged \$10.93.
- Older citizens through Nutritional Programs for the Elderly, federally administered by the Department of Health, Education and Welfare. In fiscal year 1976, legislation mandated the distribution of USDA-donated foods at a minimum level of 15 cents per meal (as adjusted to food price changes). Approximately \$7.7 million worth of food was distributed, compared to \$1.8 million in fiscal year 1975.

Average Monthly Participation/Needy Families
Thousands of Recipients

Down 75.8%



Benefits Per Person/Needy Families
(USDA Cost Per Month)
Dollars

Up 27.1%



Special Supplemental Food Program for Women, Infants and Children (WIC)

Initiated in January 1974, the WIC Program provides grants to State health departments and comparable agencies to provide supplemental foods to low-income pregnant and lactating women, infants and children up to 5 years of age through participating health clinics.

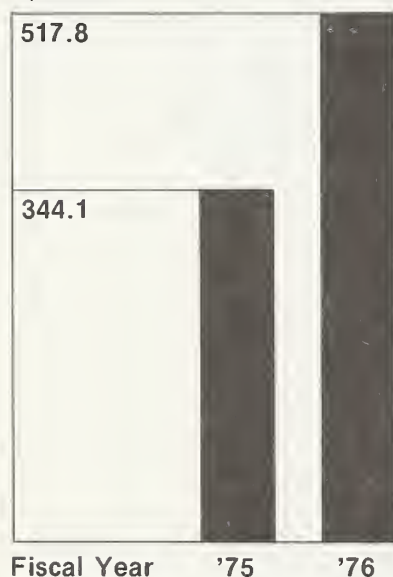
In fiscal year 1976:

- Public Law 94-105 extended authorization of the program through September 1978, and increased the annual funding level to \$250 million.
- Average monthly participation was 518,000, compared to last year's average of 344,000. Year-end participation was 589,000, compared to 498,000 in June 1975. WIC projects operated in 48 States, Puerto Rico, the Virgin Islands, and four Indian reservation areas.

- The cost of food per person averaged \$22.08 a month, an increase of 18.9 percent over the previous year. Specified amounts of certain foods — such as iron-fortified infant formula and cereal, fruit or vegetable juices high in Vitamin C, milk and eggs — were provided through State or local agency-operated delivery systems. Most participants received vouchers or coupons redeemable at retail stores for specified foods, while others received food directly from clinics, through a home delivery system, or through a combination of these methods.
- Federal expenditures totaled \$155.1 million, of which \$137.2 million represented the cost of food and \$17.9 million, administrative costs. This compares with fiscal year 1975 expenditures of \$76.7 million for food and \$12.5 million on administration.

Average Monthly Participation
Thousands of Recipients

Up 50.5%



Federal Expenditures
Millions of Dollars

Up 73.9%



Average Monthly Benefits Per Person
Dollars

Up 18.9%



Child Nutrition Programs

Through several child nutrition programs, FNS provides cash and food assistance to help support food services for children in public and nonprofit private schools, residential child care institutions, child care centers, settlement houses, summer camps, and recreation centers.

During the past year, the administration of child nutrition programs was substantially changed by Public Law 94-105, enacted October 7, 1975, which expanded their coverage to new outlets, liberalized eligibility standards, and mandated the service of reduced-priced meals in all participating schools.



During fiscal year 1976:

- The total number of meals served in all child nutrition programs amounted to 4.9 billion, up over 4 percent from the 4.7 billion served the previous year. The bulk of the meals — over four billion — were served in the National School Lunch Program.
- The number of free and reduced-price meals provided through child nutrition programs increased from 2.15 billion in 1975 to 2.35 billion in 1976, a 9.3 percent increase.
- Federal payments for all child nutrition programs totaled \$2.3 billion, of which \$1.9 billion represented cash provided to the States and \$420 million represented the federal cost of donated foods. This covers the cost of food distributed from state distribution centers. Commodities or cash in lieu of commodities valued at 11 cents per lunch were made available for distribution. The total federal payment was 12.7 percent above that of a year earlier.
- Federally donated foods represented less than 19 percent of the total \$2.3 billion worth of food used in federally aided school feeding programs.

**Federal Contribution to
Child Nutrition Programs**
Millions of Dollars

Up 12.7%



 Commodities
 Cash

National School Lunch Program

Oldest and largest of the child nutrition programs, the National School Lunch Program celebrated its 30th Anniversary during the Bicentennial year. The program is designed to assist the States in establishing, maintaining, and expanding nonprofit lunch service in elementary and secondary schools.

New legislation this fiscal year enlarged the definition of school to include licensed, public or non-profit private residential child care institutions, such as hospitals, juvenile detention centers, half-way houses, orphanages, and homes for the mentally retarded.

During fiscal year 1976:

- Nearly 90,000 schools took part in the program, about 800 more than a year earlier. Thus, a school lunch program was available to 89.4 percent of the Nation's school enrollment, an increase from 87.7 percent the year before.
- School lunch participation increased, despite the continuing decline in school enrollment.

In fiscal year 1976, participation peaked at 26 million, representing 57.6 percent of the children enrolled in participating schools.

- The lunch program reached a larger number of needy children than the previous year, partly because of legislation liberalizing eligibility for reduced-price lunches and requiring that they be served in all participating schools. Free and reduced-price lunches reached 11.1 million youngsters, compared with 10.6 million in 1975.
- The total cost of the National School Lunch Program was \$4.1 billion. The federal contribution was \$1.9 billion or 46.3 percent. The remainder came from state and local contributions, including children's payments.
- The average federal contribution per lunch was 6.9 percent higher than the previous year. The average value per lunch of federally donated foods is adjusted annually and average reimbursement payments, semi-annually, in line with food price changes.

**Participation
(Children Reached-Peak)**
Millions of Recipients



**Total Lunches
Served**
Millions of Lunches



**Federal
Contribution**
Millions of Dollars

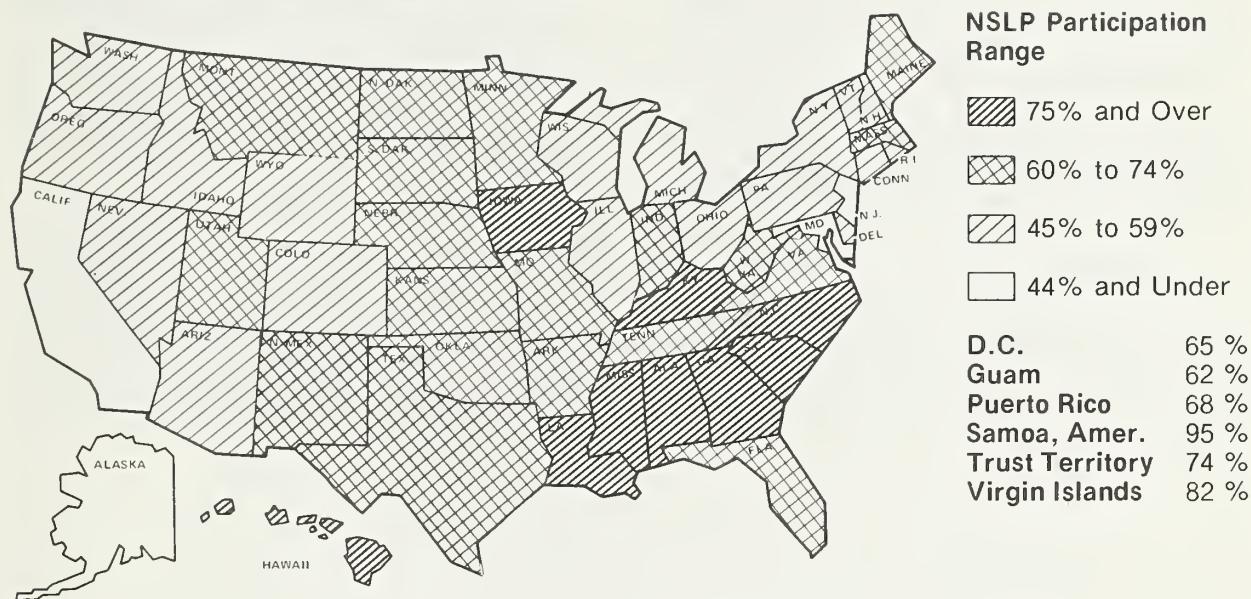


Commodities
 Cash

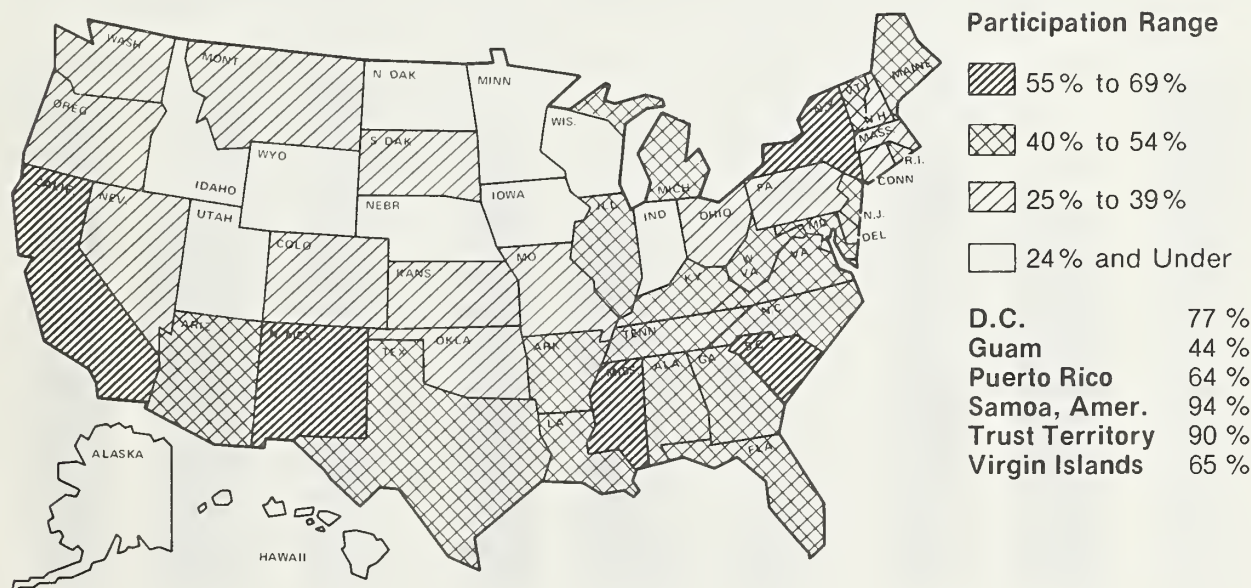
Free/Reduced Price

Paid

National School Lunch Participation as a Percent of Enrollment in Participating Schools, FY 1976 (Preliminary)



Students Receiving Free and Reduced Price Lunches as a Percent of Total Participation in the National School Lunch Program, FY 1976 (Preliminary)



School Breakfast Program

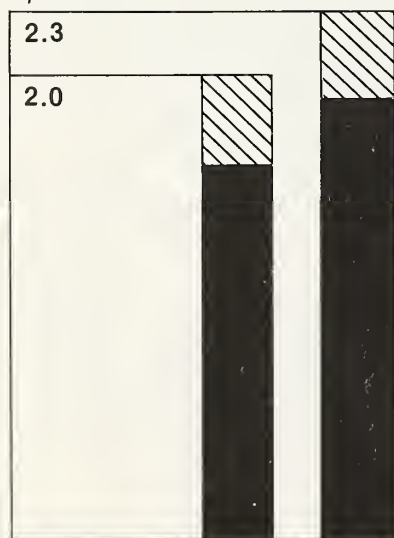
Through the School Breakfast Program the Federal Government provides cash and donated foods to States to assist in providing school breakfast service. Authorized on a limited basis in 1966, the School Breakfast Program was given permanent authorization this past fiscal year by legislation that 1) required out-reach efforts to make the program available where needed, and 2) redefined school to include licensed public or non-profit private residential child care institutions.

In fiscal year 1976:

- The program reached 2.3 million children, 15 percent more than the previous year and a record high. About 17,000 schools took part in the program, a gain of nearly 3,000 schools from fiscal year 1975.
- During FY 1976, 352 million meals were served under the program — up 19.5 percent from the previous year. Over 83.4 percent of the meals were provided free or at reduced price to needy children. That compares with 82.1 percent for the previous year.
- The average federal contribution per breakfast came to 35 cents, of which 3 cents represented the value of federally donated foods. The contribution is up 8.7 percent from the previous year, due in part to semiannual adjustments of payment rates in line with food price changes.
- Federal contributions totaled \$123.3 million, including \$10.6 million worth of donated foods and \$112.7 million in cash reimbursement payments. The total was 30 percent above the previous year's figure.

Participation
(Children Reached-Peak)
Millions of Children

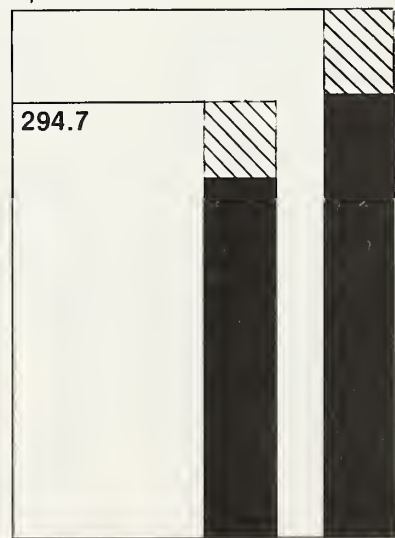
Up 15.0%



Fiscal Year '75 '76

Total Breakfasts Served
Millions of Breakfasts

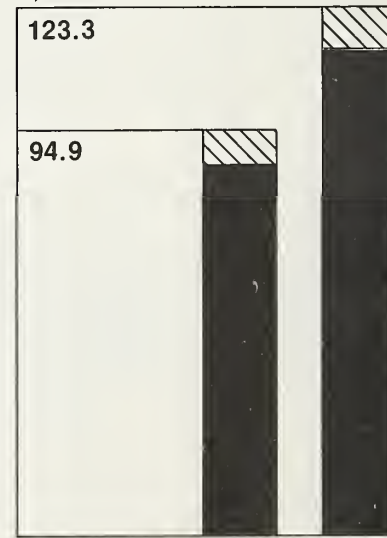
Up 19.5%



'75 '76

Federal Contribution
Millions of Dollars

Up 29.9%



'75 '76

Free-Reduced Price

Paid

Commodities
Cash

Child Care Food Program

The Child Care Food Program — previously the year-round portion of the Special Food Service Program — was expanded by legislation enacted during the fiscal year. The program provides assistance for meal service mostly for pre-school children in such non-profit child care facilities as day care centers, settlement houses, Head Start centers, and family day care homes.

In fiscal year 1976:

- Peak participation in the program was 460,000, a gain of 2,500 over the previous year. A total of 242.4 million meals were provided. Of these, 83 percent were served at free or reduced price to needy children.

- Nearly 13,000 centers were involved in the program, 1,200 more than a year earlier. Most of the additional centers were small operations and thus had modest impact on overall program participation.
- Federal contributions increased sharply to \$81.5 million — up 48.5 percent from the previous year. This was primarily due to increased reimbursement rates for meals served in the Child Care Food Program. For lunches, suppers and breakfasts, the rate is now the same as for meals served in the National School Lunch and Breakfast Programs. For supplemental food (snacks) a separate rate was established.

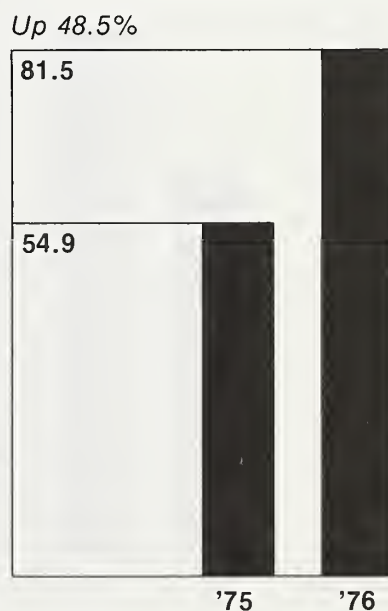
Average Daily Attendance (Peak)
Thousands of Children





Total Meals Served
Millions



Federal Contributions Including Equipment
Millions of Dollars



 Free-Reduced Price
 Paid

Summer Food Service Program for Children

The Summer Food Service Program for Children — previously the summer portion of the Special Food Service Program — was made available to new outlets by legislative changes during the fiscal year. The program covers the cost of food service to needy preschool and school-age children in nonprofit recreation centers, summer camps, or during vacations in areas operating under a continuous school calendar. All meals provided under the program are now served free.

- A total of 100.4 million meals were served compared with 84.3 million the previous year.
- Federal contributions, which cover the full cost of food service under the program, increased to \$69.6 million, up from \$50.9 million in fiscal year 1975.

In fiscal year 1976:

- The summer program reached 2.4 million children, a gain of 600,000 from the previous year. The addition of 4,000 centers to the program — mainly in large cities — was primarily responsible for the increased participation. Participating centers totaled 16,000 compared to 12,000 in fiscal year 1975.

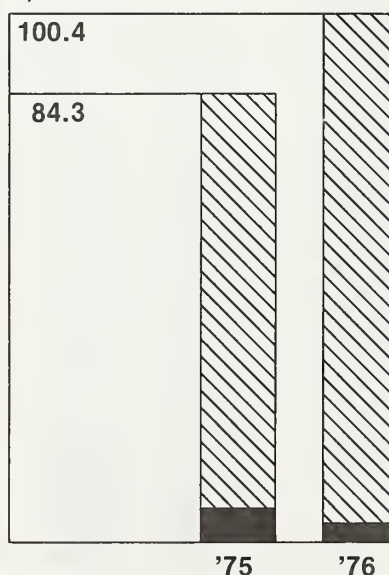
Average Daily Attendance (Peak)
Thousands of Children

Up 35.7%



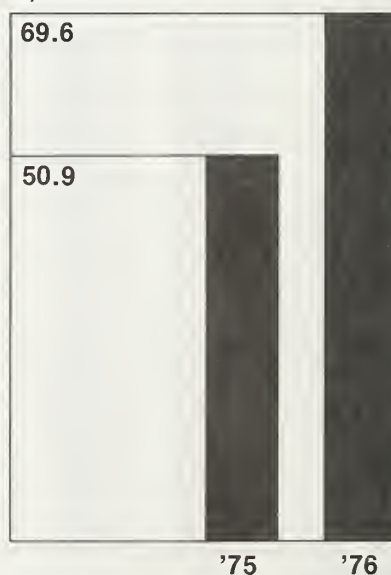
Total Meals Served
Millions



Up 19.1%



Federal Contribution (Including Equipment)
Millions of Dollars

Up 36.7%



 Free-Reduced Price
 Paid

Nonfood Assistance Program

The Nonfood Assistance Program helps State educational agencies to finance food service equipment to enable schools in low-income areas to establish, expand, and maintain food service programs. Schools receiving the aid must take part in the National School Lunch or School Breakfast Program.

In fiscal year 1976:

- Total average daily attendance at schools receiving nonfood assistance was 4.5 million children, as compared to 3.8 million a year earlier.

- A total of \$25.4 million was provided to assist about 7,600 schools to buy equipment. Two thirds of the funds or \$16.7 million went to 6,750 schools with existing food service, and \$8.7 million went to 874 schools previously without food service.
- The average expenditure per school was \$3,336, compared to \$3,149 a year earlier. The average was \$2,476 in schools with food service and \$9,978 for those starting new programs.

Schools Assisted

Down 8.6%



Federal Payments
Millions of Dollars

Down 3.4%



Special Milk Program

The Special Milk Program reimburses schools, child care centers, settlement houses, and summer camps for part or all of the cost of milk served, and thus reduces the cost to the children. This program is especially important where there is no regular food service.

Legislation enacted during the fiscal year made Puerto Rico, the Virgin Islands, American Samoa and the Pacific Trust Territories eligible for the milk program.

- The minimum rate of reimbursement was 5.5 cents per half-pint served under the Program. The minimum rate is adjusted annually to keep pace with food price changes as reported by the Bureau of Labor Statistics for food away from home. Milk provided free is reimbursed at full cost to needy children eligible for free meals.

In Fiscal Year 1976:

- Milk served under the Special Milk Program totaled 2.3 billion half pints, at a Federal cost of \$144.3 million.

Number of ½ Pints of Milk
Billions of ½ Pints



Federal Payments
Millions of Dollars



Summary of Food and Nutrition Programs Preliminary, FY 1976 (United States)

I - Total Federal Payments for all FNS Programs

	Cash	Commodities	Total	Percent of U.S. Total
Federal Payments (mil.)	\$ 7,417.3	\$ 428.4	\$ 7,845.7	100.0%

Note: Total does not include most costs of administration.

II - Availability of Child Nutrition Programs in Schools

	Total Public and Private Schools	National School Lunch		Breakfast		Nonfood Assistance	
		Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total Schools	110,164	89,729	81.5	17,244	15.7	7,625	6.9%
Eligible Schools	109,421	—	—	—	—	—	—
Total Enroll. (000's)	50,497.8	45,124.9	89.4	8,486.1	16.8	4,520.5	9.0%
Elig. Enroll. (000's)	50,321.0	—	—	—	—	—	—

III - Child Nutrition Programs in Schools ¹

Item	Total	National School Lunch Program	School Breakfast Program	Nonfood Assistance Program
Participants (peak reached) ¹	—	26.0	2.3	4.5
Receiving Free and Reduced Price Meals (peak reached) ¹	—	11.1	1.9	—
Total Meals Served ¹	4,530.7	4,178.4	352.3	—
Percent Free and Reduced Price	45.2%	42.0%	83.4%	—
Total Meals Served Daily ¹	25.9	23.8	2.1	—
All Federal Payments ¹	\$2,033.3	\$1,875.7 ²	\$123.3	\$25.4
Total Program Cash Payments ¹	\$1,608.6	\$1,470.5	\$112.7	\$25.4
State Administrative Expense (SAE) ¹	\$ 8.9	—	—	—
Federal Cost of Commodities ¹	\$ 415.8	\$ 405.2 ²	\$ 10.6	—
Total Value of Food Used ¹	\$2,265.7	—	—	—
Local Food Purchases ¹	\$1,849.9	—	—	—
Federal Prog. Payments (Excl. SAE) ¹	\$2,024.4	—	—	—
Per Child	—	\$ 72.14	\$ 53.61	\$ 5.64
Per Meal	—	44.9¢	35.0¢	—

¹All Numbers rounded to millions.

²Includes \$38.5 million in cash that was authorized in lieu of commodities under P.L. 93-13.

IV - Special Milk Program

	Total	Schools	Child Care Institutions	Summer Camps
Number of Outlets	87,742	82,574	2,011	3,157
Number of Half-Pints Served ¹	2,311.0	2,212.6	60.8	37.6
Number of Free Half-Pints Served ¹	413.0	410.0	3.0	—
Percent Free	17.9	18.5	4.9	—
Federal Payments ¹	\$ 144.3	\$ 138.9	\$ 3.3	2.1

¹All Numbers rounded to millions.

Summary Table (continued)

V - Child-Care Food and Summer Food Service Programs

	Summer	Child Care		Summer ¹ (Millions)	Child Care ² (Millions)
Number of Outlets (Peak)	16,013	12,886	Federal Payments ³	\$69.6	\$80.1
ADA (thous. Peak)	2,421.3	459.6	Cash ³	\$69.2	\$75.9
Total Meals Served (mil.)	100.4	242.4	Commodities ³	.4	\$ 4.2
Percent Free Meals	97.0	83.0	Per Meal (cents)	69.3¢	33.0¢

¹Excludes Nonfood Assistance Funds which provided \$5,007 to 2 Outlets with ADA of 10,250.

²Excludes Nonfood Assistance Funds which provided \$1,412,139 to 922 Outlets with ADA of 50,543.

³All numbers rounded to millions.

VI - Special Supplemental Food Program (WIC)

Average Participation (Thousands)	Value of Food Benefits (Millions)	Administrative Funds (Millions)	Monthly Avg. Bene- fits per Person
517.8	137.2	17.9	\$22.08

VII - Food Distribution Program¹

Outlets	Persons Participating	Pounds	Federal Cost for Commodities
Schools (Pk. Participation) ¹	28.8	837.1	\$381.9 ⁴
Sections 32 and 416 ¹	—	629.2	305.7
Section 6 ¹	—	197.7	71.6
Child-Care Food & Summer Food Service ¹	—	10.2	4.6
Institutions (Pk. Participation) ¹	2.0	18.1	10.1
Year Round ¹	.8	11.0	6.7
Summer Camps ¹	1.2	7.1	3.4
Needy Persons (Average Participation) ¹	.5	105.3	36.4
Needy Families ¹	.1	33.8	11.4
Supplemental Food ¹	.1	53.7	17.3
Nutr. Prog. for Elderly ¹	.3 ²	17.8	7.7 ³
TOTAL	31.3	960.5	\$428.4⁴

Cash Assistance to States for Needy Family Program \$.8

Total Program Cost (Cash and Commodities) \$429.2⁴

¹All numbers rounded to millions.

²Represents average number of meals served.

³Represents value of food distributed.

⁴Excludes \$38.5 million in cash that was authorized in lieu of commodities under P.L. 93-13.

VIII - Food Stamp Program¹

	Projects	Average Participation (Millions)	Coupons Issued		
			Total (Millions)	Bonus ² (Millions)	Monthly Avg. Per Person
State Total	3,034	18.5	8,687.4	5,313.9	23.91

¹Does not include Food Certificate Program which provided \$653,700 for 3,796 participants in 2 project areas.

²Includes Food Stamp Disaster Relief Program which provided \$5,612,075 for 117,043 participants in 12 project areas.

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